



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

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For Immediate Release:
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**SNOWE: SBA's FAILURE TO PROCESS DISASTER LOANS
"INDEFENSIBLE" AND "INEXCUSABLE"**

Senator to Hold Oversight Hearing

WASHINGTON, D.C. - U.S. Senator Olympia J. Snowe today issued the following statement regarding the Small Business Administration's processing of disaster loans in the aftermath of Hurricanes Katrina and Rita:

"As the Chair of the Senate Committee on Small Business and Entrepreneurship, I have repeatedly expressed my concern to the Small Business Administration about its inability to rapidly process applications for Hurricane disaster loans. While I understand the SBA is responding to the most catastrophic natural disaster in United States history, I have growing doubts about the agency's management and leadership. The SBA's continued failure to process and approve disaster loans in a timely manner for the victims of Hurricane Katrina and Rita is indefensible and inexcusable.

"I will hold a Committee oversight hearing as soon as possible to find out why SBA workers are not provided the resources and support they need and to learn how the SBA can eliminate factors that have delayed disaster loan approvals. Unfortunately, there appears to be no sense of urgency in providing the assistance Hurricane victims so desperately need. I intend to find out why."

Last week, in a letter to Small Business Administration Administrator Hector Barreto, Senator Snowe strongly urged the agency to expand and intensify its efforts to hire additional personnel to expedite the processing of disaster loans and to expand opportunities for small businesses to participate in the recovery and rebuilding efforts. In response to her request, the SBA and FEMA also last week extended the deadline for applying for Federal disaster loans as a result of Hurricane Katrina or Hurricane Rita to January 11, 2006.

Senator Snowe and Congressman Donald A. Manzullo (R-Illinois) have requested that the Government Accountability Office (GAO) investigate whether small and minority-owned businesses have been given a fair opportunity to compete for Federal and Federally-funded contracts and subcontracts for Hurricane Katrina relief.

Last month the Senate approved by a vote of 96-0 a Snowe amendment to the Commerce-Justice-Science Appropriations bill to provide \$595 million to aid Hurricane Katrina's victims. Senator Snowe has also introduced the Small Business Hurricane Relief and Reconstruction Act of 2005 (S. 1807), legislation that builds on her previous proposal to provide immediate and meaningful relief to hurricane victims. The Act is co-sponsored by Ranking Member John Kerry (D-MA), Senator David Vitter (R-LA), Senator Mary Landrieu (D-LA), Senator Jim Talent (R-MO), Senator Edward Kennedy (D-MA), Senator John Cornyn (R-TX) and Senator Evan Bayh (D-IN).

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